

Flash Note

Monday, February 27, 2023



Oil & Gas Marketing Companies

Attock Petroleum Limited (APL)

Earnings: Attock Petroleum Limited (APL) announced its 2QFY23 result. The Company reported 2QFY23 earnings of PKR 1.25bn (EPS PKR 10.03), down by 70%y/y compared to PKR 4.22bn (EPS PKR 33.92) in the similar period last year. On a quarterly basis, profitability is down by 71%y/y. This brings total 1HFY23 profitability to PKR 5.54bn (EPS PKR 44.51), down by 16%y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 12.5/share along with the result.

Operating Performance: Earnings decline during 2QFY23 was primarily led by inventory losses and lower volumes. However, earnings decline was restricted by higher margins, lower operating expense and higher finance income. During the period under review, APL reported +40%y/y increase in revenue during 2QFY23 on the back of higher MS, HSD and FO prices despite a drop in overall volumes. Operating expense declined by 17%y/y to PKR 1.44bn during 2QFY23. Other charges dropped by 73%y/y to PKR 0.12bn during 2QFY23 compared to PKR 0.45bn in the same period last year. Finance income augmented substantially to PKR 827mn during 2QFY23 compared to PKR 3mn in the similar period last year, likely owing to higher mark-up income. On a quarterly basis, earnings dropped by 71%y/y mainly due to inventory losses compared to inventory gains in the preceding quarter. Effective tax stood at 29.8% during 2QFY23 (1QFY23: 33.5%) compared to 29.6% in the same period last year, bringing total effective tax rate for 1HFY23 to 32.7% compared to 29.5% in the corresponding period last year.

Exhibit: APL Financial Highlights								
For the period 2QFY23								
PKRmn	2QFY23	2QFY22	y/y	1QFY23	q/q	1HFY23	1HFY22	y/y
Net Sales	113,846	81,439	40%	123,931	-8%	237,778	154,277	54%
Gross Profit	1,954	7,859	-75%	9,991	-80%	11,945	12,553	-5%
Operating Expenses	1,441	1,734	-17%	3,733	-61%	5,174	3,403	52%
Impairment Loss / (Reversal)	23	(40)	n/m	34	-32%	57	(325)	n/m
Other Charges	121	454	-73%	471	-74%	592	702	-16%
Other Income	452	445	1%	391	16%	843	801	5%
EBIT	943	6,610	-86%	6,615	-86%	7,557	10,276	-26%
Finance Income / (Cost)	827	3	240x	248	3.3x	1,074	(59)	n/m
Profit Before Taxation	1,778	5,994	-70%	6,451	-72%	8,230	9,375	-12%
Profit After Taxation	1,249	4,221	-70%	4,290	-71%	5,538	6,609	-16%
EPS (PKR)	10.03	33.92		34.48		44.51	53.12	
DPS (PKR)	12.50	15.00		-		12.50	15.00	
Source: IGI Research, PSX						No of Shares: 99.53mn		

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